



# PERFORMANCE AUDITS IN PROGRESS

**X = Progress to Date**

## \* WSDOT PROJECT & INVENTORY MANAGEMENT



## \* WSDOT FERRIES



## \* WSDOT ADMINISTRATION & OVERHEAD



## \* WSDOT HIGHWAY EFFICIENCY & EFFECTIVENESS



\* audits being conducted under ESSB 6839



# PERFORMANCE AUDITS IN PROGRESS

## HEALTH CARE PROFESSIONS LICENSING



## EDUCATIONAL SERVICE DISTRICTS



## SOUND TRANSIT LIGHT RAIL PROJECT



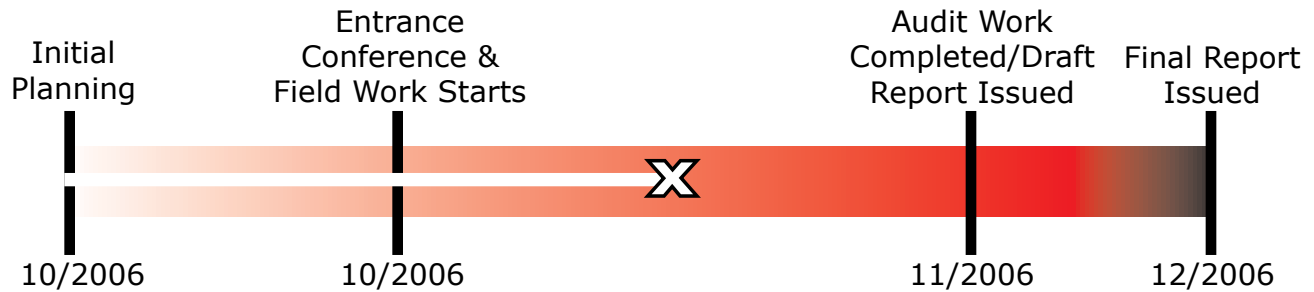
## OPEN PUBLIC RECORDS





# PERFORMANCE AUDITS IN PROGRESS

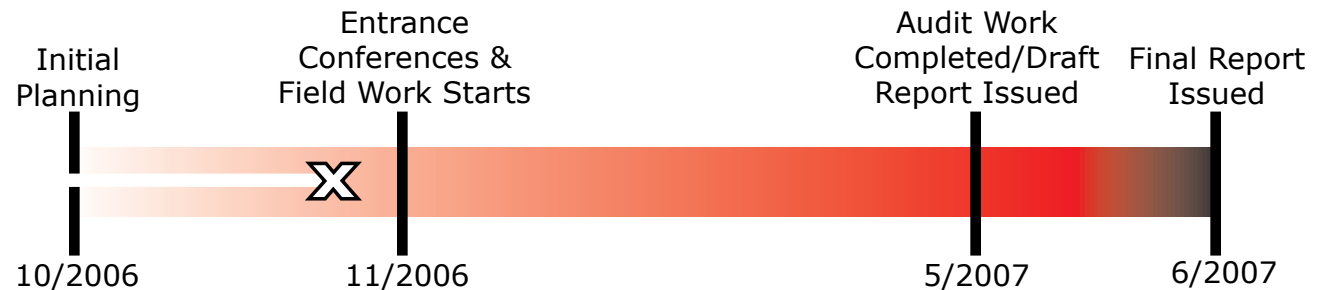
## GENERAL ADMINISTRATION MOTOR POOL



## COLLECTION OF STATE DEBT



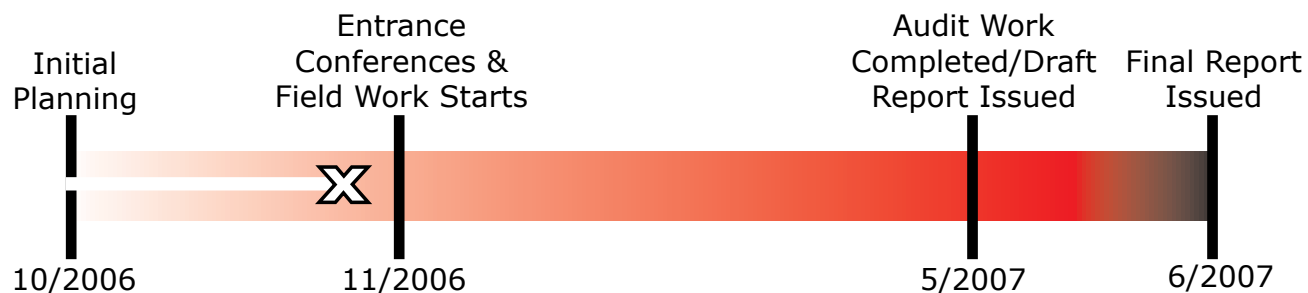
## STATE AGENCIES' PURCHASING



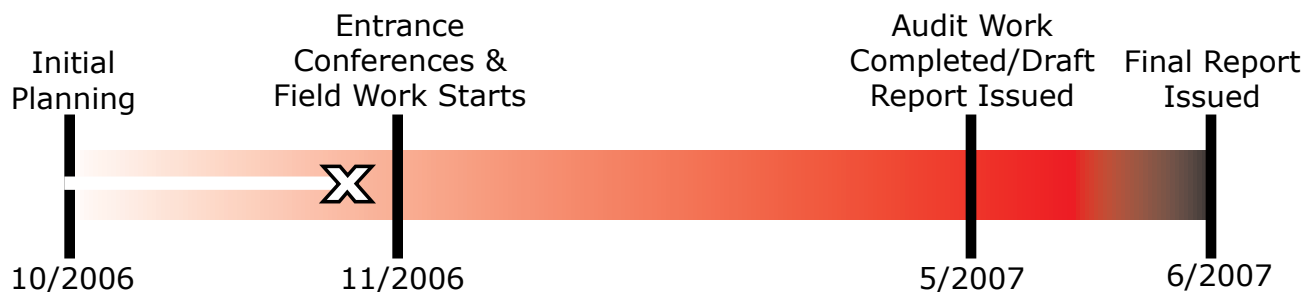


# PERFORMANCE AUDITS IN PROGRESS

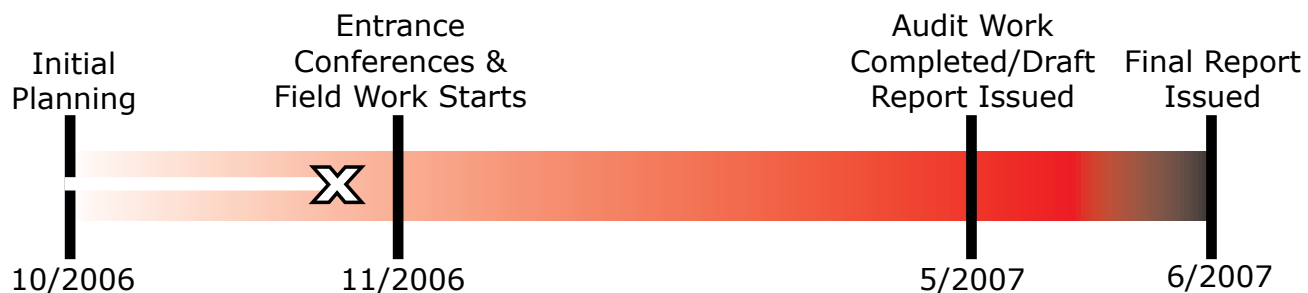
## LOCAL ENTITIES' OVERTIME PRACTICES



## LOCAL ENTITIES' TAKE-HOME VEHICLES



## K-12 SCHOOLS' TRAVEL PRACTICES





**Washington State Auditor  
Brian Sonntag**

**Performance Audit Fact Sheet  
State Department of Transportation  
Highway efficiency (congestion)  
Oct. 9, 2006**

The Washington State Auditor's Office will conduct a performance audit of the State Department of Transportation's "Management and Improvement to the State Highway System for Maximum Throughput and Minimal Congestion" within King, Pierce and Snohomish counties. The performance audit will be conducted in accordance with auditing standards prescribed by the U.S. Government Accountability Office.

**Update**

The State Auditor's Office has issued a request for proposals from contractors interested in conducting the performance audit. Proposals are due Jan. 2, 2007

**Performance Audit Background**

This performance audit is in accordance with legislation approved by state lawmakers in 2006 and an initiative passed by voters in November 2005. The performance audit will follow the nine objectives outlined in [Initiative 900](#) and the 14 performance elements identified by the 2006 Legislature under [Engrossed Substitute Senate Bill 6839](#), which expires June 30, 2007 and requires the Auditor's Office to contract the performance audit work to an outside party.

**About the Performance Audit**

The performance audit will examine the following stretches of highway in the Central Puget Sound Area:

- Interstate 5 from Marysville to Tacoma
- State Route 405 (entire length)
- State Route 167 from Auburn to Renton
- Interstate 90 from Issaquah to its intersection with Interstate 5
- State Route 520 from Redmond to its intersection with Interstate 5

A map showing these stretches of highway can be found at:

<http://depts.washington.edu/hov/>.

The performance audit will address the following questions:

- Is the Department efficiently and effectively managing the state highway system in order to reduce delay time and to maximize the number of vehicles and the number of passengers that can travel on the highways?

- How will that change in the next five years?
- If the Department is not managing highways efficiently and effectively, what will the effect be in the next five years on:
  - Costs of delays in terms of time lost on the job and with families, emergency response times, pollution from vehicle emissions and economic impact of loss of revenue to businesses and employers?
  - The ability for highway users to travel those stretches of highway?
- How can the Department reduce negative impacts on highway efficiency?

Once the audit is complete, a report will be issued containing the results of the audit and recommendations. The report will be available to the public on the State Auditor's Office Web site. The report will be sent to the Governor, the Department of Transportation, the Joint Legislative Audit and Review Committee, other the appropriate legislative committees and other interested parties.

### **Citizen Outreach Efforts**

Research conducted in March 2006 showed transportation received the second-lowest satisfaction rating of all government performance. Fifty-two percent of citizens surveyed said government is performing poorly in that area.

Transportation is one of the top three priorities for those surveyed. Most indicated they wanted to see transportation audited first; those who ranked kindergarten through grade 12 education as their first priority ranked transportation and health care as their next choices.

Those who wanted transportation audited first said their biggest concerns are accountability over public funds; congestion; mass transit; and efficiency of operations.

The State Auditor's Office has conducted and will continue outreach efforts with citizens, Department of Transportation employees, cities, counties; and private companies that design, construct and maintain roads, bridges and highways.

The complete Request for Proposal is available at  
[http://www.sao.wa.gov/PerformanceAudit/RFP\\_and\\_Fact\\_Sheet/0906-RFP-TS-01.pdf](http://www.sao.wa.gov/PerformanceAudit/RFP_and_Fact_Sheet/0906-RFP-TS-01.pdf)

The ESSB 6839 summary is available at:  
<http://www.sao.wa.gov/PerformanceAudit/ESSB6839/ExecutiveSummary.pdf>

The I-900 summary is available at:  
<http://www.sao.wa.gov/PerformanceAudit/ESSB6839/ExecutiveSummary.pdf>

### **Timeline**

- Request for proposal issued on Oct. 4, 2006
- Proposals due from vendors on Jan. 2, 2007
- Contractor selected mid-January 2007
- Audit work starts on or around Feb. 5, 2007
- Audit completion expected by Sept. 30, 2007
- Audit report issued by Oct. 31, 2007

In order to ensure maximum participation from qualified vendors, we are advertising in the Wall Street Journal, Seattle Daily Journal of Commerce; and Washington's Electronic Business Solution (WEBS), an on-line registration and bid notification system for vendors interested in bidding on state contracts.

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Washington State Auditor's Web site: [www.sao.wa.gov](http://www.sao.wa.gov)





**Washington State Auditor  
Brian Sonntag**

**Performance Audit Fact Sheet**

Washington State Department of Transportation  
Consumable Inventory, Hot Mix Asphalt, Highway Maintenance  
and Construction Project Management  
Oct. 12, 2006

The Washington State Auditor's Office is conducting a performance audit of Washington State Department of Transportation's consumable inventory, hot mix asphalt, highway maintenance and construction project management in accordance with legislation approved by state lawmakers in 2006.

**Update**

The State Auditor's Office awarded a contract to TKW in July 2006 to conduct the audit. Weekly updates about the audit are available at [http://www.sao.wa.gov/PerformanceAudit/weekly\\_updates.htm](http://www.sao.wa.gov/PerformanceAudit/weekly_updates.htm).

**WSDOT background**

WSDOT has more inventory on hand than transportation departments in other states. The agency has the potential to better leverage purchasing power over asphalt ingredients and to offset high oil prices.

**About the Performance Audit**

Scope and objectives

The performance audit follows the 14 performance elements identified by the 2006 Legislature under [Engrossed Substitute Senate Bill 6839](#), which requires the Auditor's Office to contract the performance audit work to an outside party.

The 14 objectives include evaluating the Department's financial and operational efficiency; identifying areas that need to be consolidated and areas that need to be augmented; identifying best practices for the agency; and recognizing those already in place.

The performance audit evaluates four areas of the Department:

- Consumable inventory and supply management
- Procurement strategy for hot mix asphalt
- Maintenance operations
- Highway project delivery and management
  - Project cost management/control and tracking
  - On-time completion/schedule performance



The audit evaluates whether:

- The Department's consumable inventory and supply management is operating efficiently and effectively.
- The Department's purchasing of hot-mix asphalt for road construction and maintenance is efficient and cost-effective.
- The Department's maintenance operations are efficient and in keeping with best practices identified in other state transportation agencies.
- The Department is maximizing revenue opportunities from advertising and vending machines at rest areas and is in keeping with best practices identified in other state transportation agencies.
- The Department is cost-effectively and time-efficiently managing highway projects in order to minimize delays in project completion.
- The Department is accurately, completely and effectively tracking costs by project.

For all of the above items, the audit report will make recommendations for correcting inefficiencies.

The audit is also exploring highway maintenance models used across United States that may offset cost increases attributable to oil prices. For example, the audit will consider if it would increase the Department's efficiency to make interagency agreements with local governments, make changes to organizational structure, use contractors for some work, etc.

#### Outreach efforts

Research conducted in March 2006 showed transportation received the second-lowest satisfaction rating of all government performance. Fifty-two percent of citizens surveyed said government is performing poorly in that area.

Transportation is one of the top three priorities for those surveyed. Most indicated they wanted to see Transportation audited first; those who ranked kindergarten through grade 12 education as their first priority ranked transportation and health care as their next choices.

Those who wanted transportation audited first said their biggest concerns are accountability over public funds; congestion; mass transit; and efficiency of operations.

We have also conducted outreach with citizens, Department employees, cities, counties, legislators and private companies.

#### Audit work and results

The audit is being conducted in accordance with [Generally Accepted Government Auditing Standards](#), set by the U.S. Governmental Accountability Office.

The performance audit is being performed by a contractor under the direction of our Office. In order to ensure maximum participation from qualified vendors, we advertised in the Wall Street Journal, Seattle Daily Journal of Commerce; and Washington's Electronic Business Solution (WEBS), an online registration and bid notification system for vendors interested in bidding on state contracts.

The final audit report, including recommendations for improving performance, will be available to the public on the [State Auditor's Web site](#). The report will also be sent to the Governor, the Joint Legislative Audit and Review Committee, the Office of Financial Management, the appropriate legislative committees and other interested parties.

#### Timeline:

- Request for proposal issued: April 12, 2006
- Proposals due from vendors: May 12, 2006

- Contractor selected: June 23, 2006
- Entrance conference with WSDOT: July 26, 2006
- Audit work started in July 2006
- Audit completion expected by March 31, 2007
- Audit report issued by April 30, 2007

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Web site: [www.sao.wa.gov/PerformanceAudit/default.asp](http://www.sao.wa.gov/PerformanceAudit/default.asp)



**Washington State Auditor  
Brian Sonntag**

**Performance Audit Fact Sheet**  
Washington State Department of Transportation  
Administration and Overhead  
Oct. 12, 2006

The Washington State Auditor's Office is conducting a performance audit of Washington State Department of Transportation's administrative and overhead costs in accordance with legislation passed by state lawmakers in 2006.

**Update**

The State Auditor's Office has signed a contract with Ernst and Young to conduct the performance audit. Work will start on Oct. 23, 2006. An entrance conference will be held between Ernst and Young, the State Auditor's Office and the Department of Transportation on Oct. 24.

**Department background**

At recent town hall meetings, citizens expressed interest in administrative and overhead expenditures at WSDOT. Initial work suggests WSDOT may have more administrative and overhead employees than transportation systems in other states. Our audit of these administrative and overhead expenditures will focus on the following budget items, shown below:

Facilities' maintenance and operations .....	\$33 million
Program delivery and management support .....	\$50 million
Transportation management and support .....	\$28 million
Information technology .....	\$67 million
Transportation planning, data and research.....	\$45 million
<b>Total .....</b>	<b>\$223 million</b>

\*note: The above 2005-07 budget figures are available at  
<http://www.ofm.wa.gov/databook/transportation/tt08.asp>.

**About the Performance Audit**

Scope and objectives

The performance audit will follow the 14 performance elements identified by the 2006 Legislature under [Engrossed Substitute Senate Bill 6839](#), which requires the Auditor's Office to contract the performance audit work to an outside party.

The 14 objectives include evaluating the Department's financial and operational efficiency; identifying areas that need to be consolidated and areas that need to be augmented; identifying best practices for the agency; and recognizing those already in place.

Administration costs are defined as general administration, supervision and other support services that are necessary for the management, supervision and administrative control of WSDOT. Overhead costs are incurred for purposes that benefit more than one WSDOT department and are not easily chargeable in a direct manner to individual projects or services.

Administration and overhead operations to be examined may include regional directors, administrators, planners and support staff; fiscal and financial services; information technology; office supplies and equipment; building and facilities costs and maintenance; records management; legal services; and public communication.

The audit will not include administration or overhead operations of Washington State Ferries; WSDOT inventory purchasing, tracking and storage; WSDOT road maintenance; or rest areas.

#### Outreach efforts

Research conducted in March 2006 showed transportation received the second-lowest satisfaction rating of all government performance. Fifty-two percent of citizens surveyed said government is performing poorly in that area.

Transportation is one of the top three priorities for those surveyed. Most indicated they wanted to see Transportation audited first; those who ranked kindergarten through grade 12 education as their first priority ranked transportation and health care as their next choices.

Those who wanted transportation audited first said their biggest concerns are accountability over public funds; congestion; mass transit; and efficiency of operations.

We are continuing outreach efforts with citizens, Department employees, cities, counties, legislators and private companies.

#### Audit work and results

The audit is being conducted in accordance with [Generally Accepted Government Auditing Standards](#), set by the U.S. Governmental Accountability Office.

The performance audit will be performed by a contractor under the direction of our Office. In order to ensure maximum participation from qualified vendors, we are advertising in the Wall Street Journal, Seattle Daily Journal of Commerce; and Washington's Electronic Business Solution (WEBS), an online registration and bid notification system for vendors interested in bidding on state contracts.

The final audit report, including recommendations for improving performance, will be available to the public on the [State Auditor's Web site](#). The report will also be sent to the Governor, the Joint Legislative Audit and Review Committee, the Office of Financial Management, the appropriate legislative committees and other interested parties.

#### Timeline:

- Request for proposal issued Aug. 4, 2006
- Proposals due from vendors on Sept. 1, 2006
- Contract awarded October 2006
- Contract work to start on Oct. 23, 2006
- Audit completion expected by Feb. 27, 2007
- Audit report issued by March 30, 2007

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**Washington State Auditor  
Brian Sonntag**

**Performance Audit Fact Sheet**  
Washington State Ferry System  
Oct. 12, 2006

The Washington State Auditor's Office is conducting an independent, comprehensive performance audit of the Washington State Ferry System, a division of the Washington State Department of Transportation, in accordance with legislation approved by state lawmakers in 2006.

**Update**

The State Auditor's Office has selected Ernst & Young as the contractor for a performance audit of the ferry system. The audit work started in September. Weekly updates are available at [www.sao.wa.gov/PerformanceAudit/weekly\\_updates.htm](http://www.sao.wa.gov/PerformanceAudit/weekly_updates.htm).

**Washington State Ferry System background**

The Washington State Ferry System has approximately 1,700 employees and operates a budget of more than \$350 million every two years for ferry operations and maintenance of ferry vessels and terminals. In addition, more than \$260 million has been budgeted for ferry system construction for the 2005 through 2007. The Washington State Ferry System is the largest in the United States, with 29 vessels and 20 terminals. Approximately 25 million people ride state-operated ferries each year.

**About the Performance Audit**

Scope and objectives

The performance audit follows the 14 performance elements identified by the 2006 Legislature under [Engrossed Substitute Senate Bill 6839](#), which requires the Auditor's Office to contract the performance audit work to an outside party.

The performance objectives include evaluating the agency's financial and operational efficiency; identifying areas that need to be consolidated; areas that need to be augmented; identifying best practices for the agency; and recognizing those already in place.

Ferry operations have historically received numerous internal control recommendations from the State Auditor's compliance audits.

The audit will explore ways to lower operating costs, capital maintenance costs and capital acquisition costs, which may offset financial difficulties caused by fuel prices or the need to increase fees.

### Outreach efforts

Research conducted in March 2006 showed transportation received the second-lowest satisfaction rating of all government performance. Fifty-two percent of citizens surveyed said government is performing poorly in that area.

Transportation is one of the top three priorities for those surveyed. Most indicated they wanted to see Transportation audited first; those who ranked kindergarten through grade 12 education as their first priority ranked transportation and health care as their next choices.

Those who wanted transportation audited first said their biggest concerns are accountability over public funds; congestion; mass transit; and efficiency of operations.

We conducted additional outreach with Washington State Ferry employees, cities, counties; and private companies.

### Audit work and results

The audit is conducted in accordance with [Generally Accepted Government Auditing Standards](#), set by the U.S. Governmental Accountability Office.

The performance audit is being performed by a contractor under the direction of our Office. In order to ensure maximum participation from qualified vendors, we advertised in the Wall Street Journal, Seattle Daily Journal of Commerce; and Washington's Electronic Business Solution (WEBS), an online registration and bid notification system for vendors interested in bidding on state contracts.

The final audit report, including recommendations for improving performance, will be available to the public on the [State Auditor's Web site](#). The report will also be sent to the Governor, the Joint Legislative Audit and Review Committee, the Office of Financial Management, the appropriate legislative committees and other interested parties. The Legislature is required by I-900 to hold a public hearing on this audit within 30 days of our issue of the audit report.

### Timeline:

- Request for proposal issued May 5, 2006
- Proposals due from vendors June 9, 2006
- Contract awarded September 2006
- Entrance conference with WSDOT Sept. 18, 2006
- Audit work started Sept. 19, 2006
- Audit completion expected by March 31, 2007
- Audit report issued by April 30, 2007

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